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This paper was prepared by Office of Near Eastern and South Asian Analysis. Comments and queries are welcome and may be addressed to the Chief, South Asia Division, NESA,

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SECRET	25X1
India's Involvement	
Because of proximity and ethnic and cultural connections, India has been deeply involved in Sri Lanka's political development. At Colombo's invitation Indian military forces went into Sri Lanka in 1971 to assist in quelling a leftist student attempt to overthrow the government. As the political fabric between Tamils and Sinhalese frayed in the late 1970's, New Delhi watched worriedly. The more than 40 million Tamils in the southern Indian state of Tamil Nadu pressure New Delhi to remain engaged in Sri Lankan affairs to protect their co-ethnics.	25 <b>X</b> 1
The Gandhi government pursued a two-prong policy after communal rioting in summer 1983 left more than 400 Tamils dead and thousands fleeing to	25X1 25X1
New Delhi at the same time sought to bring the Tamils and ruling Sinhalese together. During late 1983 and 1984, India repeatedly offered Colombo its good offices to initiate discussions with Tamil leaders. This effort culminated with the creation of the All Party Conference, a series of roundtable discussions with representatives of the major Sri Lankan communities, which met in Colombo intermittently for more than 10 months before deadlocking last December.	25X1 25X1
Since the failure of the talks and the departure of most moderate Sri Lankan Tamil spokesmen to south India, Colombo has concentrated on building up its military while the insurgents have sought to drive government forces from the Jaffna Peninsula. The intensity of the violence in the north has steadily increased. The Tamils are becoming more daring and better organized in attacks on government facilities.	25X1
India's Goals	
New Delhi's overall goal, in our view, is to avoid a bloodbath on the island between the Sinhalese majority and the Tamil minority which would prompt a massive refugee influx and a political hue and cry in south India. The Indian government favors a negotiated settlement that would guarantee	4
Camil state and has stated this view repeated.	25 <b>X</b> 1
New Delhi fears that a small Tamil state would be economically and colitically impotent and would look to India for support. The creation of a	<sup>25X1</sup>
ignals to India's numerous tribal and ethnic groups currently pressuring	25 <b>X</b> 1

	SECRET		25 <b>X</b> 1
player in the region. It	our view, to prevent involumn affairs and to extend Inc wants to prevent potential PLO, or other international dents.	dia's image as the prime	25X1
Rajiv Takes Over			
of domestic issues. The wathulathmudali to New Delk	nonths after Indira Gandhi Little attention to Sri Lan Visit by Sri Lankan Securit Di in March and the recipro Li to Colombo in April mark	nka because of the urging by Minister	25X1
the opening of new negotia Indira's government had op Bhandari was authorized by concerted effort to restri	everal snipments of foreign e number of training camps	ht under control before Lankan position that matic reporting, that India would make a insurgents. The	25 <b>X</b> 1
·			25 <b>X</b> 1
Indian Prospects			÷
Indian public statement moderate, muted tone, but was Jayewardene will make any but Indians undoubtedly are awa as a signal that Sri Lanka victory over the insurgents we think they have-that in	re that Colombo has interpole can proceed with its strate.  If Rajiy and his advised	at New Delhi believes Tamils soon. The reted Bhandari's visit	

-that in the near term there is little hope for a political settlement, they also may calculate that New Delhi's interests are best served by trying to keep a low profile. Bringing the insurgents under

firmer control is one step toward reducing the impact of the conflict on volatile south Indian politics; increasing central government support for Tamil refugees, which they also have done recently, is another.

SECRET	. 25X
Rajiv's restrained policy on Sri Lanka, in our view, reflects cautious and conciliatory style of leadership. As a new leader he more pressing problems in front of him. He probably senses that 1: would be gained from active personal involvement at this point.	
Potential "Monkey Wrenches" for New Delhi	 . 25X
Some potential developments could lead to or force a major char- Indian policy toward Sri Lanka:	ige in
Rajiv himself appears to have become an important voice for moderation. If he dies or is removed from office, it is un whether his successor would be equally committed to his pol	
Similarly, Jayewardene's removal from office would create uncertainties, although few of his potential successors appeany more conciliatory toward the Tamils or more likely to the force the chauvinistic Sinhalese majority to accept a negotion settlement.	
A massive influx of refugees into Tamil Nadu would strain so Indian resources and place new domestic political demands on Delhi.	outh 1 New
If a third country provided large amounts of sophisticated m support to the Jayewardene government, Rajiv would come unde domestic pressure to increase Indian aid to the insurgents.	ilitary r
The final and perhaps most important factor that could drast: affect New Delhi's ability to manage policy toward Sri Lanka status of the nearly half million Tamil estate workers, most retain close political and family ties to south India. Although they have remained largely uninvolved in the communal conflict they become drawn into the crisis, New Delhi would be pressured by opposition parties and the government of Tamil Nadu to interpretate their lives or repatriate them to India.	is the of whom ough ct, if

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	25 <b>X</b> 1

## Implications for the United States

We believe New Delhi wants the United States to defer to India's lead in resolving the conflict, to treat the insurgency as a regional issue, and to continue to urge Colombo to accept the need for a negotiated solution. Should the Sri Lankan communal conflict deteriorate to the point where New Delhi becomes convinced of the need to intervene militarily to restore order, the Indians will look to Washington for political support or, at the least, for diplomatic acquiescence. New Delhi would characterize Indian military intervention as aimed solely at restoring public order, not as an expression of Indian expansionism within the region. The Indians will assume that Jayewardene would turn to the United States for military support, but they will urge Washington to turn down such requests.

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In our assessment, New Delhi would not call for or even welcome a greater role for the United States in resolving the Sri Lankan communal conflict. We believe Gandhi's overarching concern is to preserve and extend India's role as the primary regional leader in South Asian affairs. Preventing foreign--particularly superpower--involvement in regional issues remains the key element in this policy.

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## SRI LANKA: Population by Ethnic Group and Religion, 1981

Ethnic Group		%	Religion		%
Sinhalese Ceylon Tamil Indian Tamil Ceylon Moor Other	10,986,000 1,872,000 825,000 1,057,000 111,000	74 12.6 5.6 7.1 0.7	Buddhist "Hindu Muslim Catholic Other	10,293,000 2,296,000 1,135,000 1,010,000	69.3 15.5 7.6 6.8
•			Christian Other	102,000 15,000	0.7 0.1
Total	14,851,000	100	Total	14,851,000	100

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	25 <b>X</b> 1
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